

APR 13 1978

Item 899

S9.10:9169

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 9169

942-267
Cp 780

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AGRICULTURAL COMMODITIES

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Agreements Between the
UNITED STATES OF AMERICA
and INDONESIA ✓

Amending the Agreement of May 17, 1977,
as Amended, and Exchange of Letters
of December 16, 1977

Effected by Exchange of Notes
Signed at Jakarta February 23, 1978

And Exchange of Notes
Signed at Jakarta July 13, 1978

And Exchange of Notes
Signed at Jakarta December 6, 1978



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89-497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

"... the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

INDONESIA

Agricultural Commodities

*Agreements amending the agreement of May 17, 1977, as amended,
and exchange of letters of December 16, 1977.*

Effectuated by exchange of notes

Signed at Jakarta February 23, 1978;

Entered into force February 23, 1978.

And exchange of notes

Signed at Jakarta July 13, 1978;

Entered into force July 13, 1978.

And exchange of notes

Signed at Jakarta December 6, 1978;

Entered into force December 6, 1978.

*The American Ambassador to the Indonesian Acting Minister of
Foreign Affairs*

Jakarta, February 23, 1978

No. 145

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, and December 16, 1977, [1] and to propose that Part II, Particular Provisions, be further amended as follows to increase the dollars available for rice and to increase the total dollar value of the Agreement:

Item I, Commodity Table: Under column heading titled "Maximum Export Market Value" make the following changes:

- A. On line titled "Rice" change "131.9" to "150.8".
- B. On line titled "Total" change "165.8" to "184.7".

Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL 480 commodities under the second amendment to the Title I, PL 480 agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the third amendment to the May 17, 1977, Title I, PL 480 agreement and change the funds allocated for the project "Sedang/Kecil Irrigation" from \$30 million" to \$40 million"

His Excellency

Professor Mochtar Kusumaatmadja

Acting Minister of Foreign Affairs

Department of Foreign Affairs

Jakarta

¹ TIAS 8677, 8913, 8984; 28 UST 6172; 29 UST.

and add a new project: Agricultural Education and Training - \$10 million.
A description of the latter project is attached to this note.

All other terms and conditions of the May 17, 1977, agreement, as amended, remain the same.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my highest consideration.



Edward E. Masters ^[1]

Attachment

¹ Edward E. Masters.

4. AGRICULTURAL EDUCATION AND TRAINING - \$10 Million

The purpose of this project is to provide operational support to 17 governmental, 84 provincial and private vocational agricultural high schools located throughout the country. These schools graduate 3,300 students each year after completion of three year courses. The total annual enrollment in these schools is about 20,000 which would indicate fairly rigorous graduation standards are being maintained. Many of these graduates become field extension agents in the agricultural extension service. This project is also to provide operational funds for a total of 25 in-service training centers which offer one to four weeks short courses to upgrade the skill of the extension service personnel at all levels. Five of these centers are devoted to fisheries, five to forestry training and 15 to food crops, animal husbandry and estate crops. Operational funds are also provided for rural extension centers for training of key farmers, with whom each field extension agent works with about 20 such farmers. The efforts of local extension agents thereby are multiplied by each key farmer who in turn passes on new technology to at least five other farmers. There are at present 529 rural extension centers with a goal to increase their number to 1,000. There are at present 70,000 key farmers and the goal is to reach a total of 200,000 by the end of Replita III. IBRD is supporting this overall program with funds for capital costs of buildings, equipment and training materials.

*The Indonesian Minister for Foreign Affairs ad interim to the
American Ambassador*



MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, February 23 , 1978.

No. : 00222/78/01.

Your Excellency ,

I have the honor to acknowledge receipt of Your Excellency's Note of February 23 , 1978, which reads as follows :

" I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, and December 16, 1977, and to propose that Part II, Particular Provisions, be further amended as follows to increase the dollars available for rice and to increase the total dollar value of the Agreement :

Item I, Commodity Table : Under column heading titled "Maximum Export Market Value" make the following changes :

- A. On line titled "Rice" change "131.9" to "150.8".
- B. On line titled "total" change "165.8" to "184.7".

Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL 480 commodities under the second amendment to the Titled I, PL 480 agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under

His Excellency

Edward E. Masters.

The United States Ambassador

J A K A R T A .

TIAS 9189

the third amendment to the May 17, 1977, Title I, PL-480 agreement and change the funds allocated for the project "Sedang/Kecil Irrigation" from "\$ 30 million to "\$ 40 million" and add a new project :
Agricultural Education and Training - \$ 10 million.
A description of the latter project is attached to this note.

All other terms and conditions of the May 17, 1977, agreement, as amended, remain the same.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my highest consideration."

I have the honor to confirm that the proposed amendments as described in your Note are acceptable to my Government and to agree that Your Excellency's Note and this reply shall be regarded as constituting an agreement between our two Governments with effect from the date of this Note.

Please, Excellency, accept the renewed assurance of my highest consideration.



Mochtar Kusumaatmadja

MOCHTAR KUSUMAATMADJA

Minister for Foreign Affairs ad interim

The American Ambassador to the Indonesian Minister of Foreign Affairs

Jakarta, July 13, 1978

No. 540

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, December 16, 1977, and February 23, 1978, and to propose that Part II, Particular Provisions, be further amended as follows:

- A. In Item I, Commodity Table: On Line Titled "Rice", and under appropriate Column headings, change "500,000" to "550,000" and "150.8" to "168.3".
- B. In same Item, on Line Titled "Total", and under Column headed "Maximum Export Market Value (Millions)", change "\$184.7" to "\$202.2". All other terms and conditions of the May 17, 1977 Agreement, as amended, remain the same.

Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL 480 commodities under the second amendment to the Title I, PL 480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the

His Excellency

Dr. Mochtar Kusumaatmadja

Minister of Foreign Affairs

Department of Foreign Affairs

Jakarta

Fourth Amendment to the May 17, 1977, Title I, PL 480 Agreement and allocate such funds to the Sederhana Irrigation Project (simple irrigation/reclamation).

If the foregoing is acceptable to your Government, I have the honor to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my highest consideration.



Edward Limasius

Attachment

5. SEDERHANA IRRIGATION AND LAND DEVELOPMENT - \$17.5 Million

The purpose of this program is to construct, expand and rehabilitate small irrigation systems with an average size of 350 Ha. In the past four years 677 subprojects covering 238,616 Ha have received assistance under this program. The main focus is to assist small farmers located off Java. Over 80 percent of the subprojects are located off Java and average land holdings for the vast majority of the farmers is between 0.3 and 1.0 hectares. The annual per capita incomes of 80 percent to 90 percent of the direct beneficiaries is estimated to be less than \$150. There will be a major focus on Sederhana activities in the present year and throughout the Repelita III planning period. The Sederhana program is recognized as a significant program which helps to increase rice production, farm employment and the incomes of small poor farmers. In a recent evaluation of rice production in Sederhana project areas it was estimated that rice production increased by about 40 percent as a result of expanded harvested area and increasing production to two crops a year.

Between 1974/75 and 1978/79 a total of 260,000 Ha of land will be assisted under this program and during Repelita III (1979/80 - 1984/85) the Government plans to include an additional 290,000 Ha of land.

The proposed attribution of \$17.5 million of local currency generated by the Fourth Amendment to the May 17, 1977 Title I, PL 480 Agreement to the Sederhana Irrigation program constitutes less than five percent of the total development expenditure scheduled by the Government of Indonesia in IFY 1978/79 and Repelita III for the Sederhana program.

The Indonesian Minister for Foreign Affairs to the American Ambassador



MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, July 13, 1978.

No. : D. 6095 /78/01.

Your Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of July 13, 1978 which reads as follows :

" I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, December 16, 1977, and February 23, 1978, and to propose that Part II, Particular Provisions, be further amended as follows :

- A. In Item I, Commodity Table : On Line Titled "Rice", and under appropriate Column headings, change "500,000" to "550,000" and "150.8" to "168.3".
- B. In same Item, on Line Titled "Total", and under Column headed "Maximum Export Market Value (Millions)", change "\$184.7" to "\$202.2". All other terms and conditions of the May 17, 1977 Agreement, as amended, remain the same.

Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL 480 commodities under the second amendment to the Title I, PL 480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the Fourth Amendment to the May 17, 1977, Title I, PL 480 Agreement and allocate such funds to the Sederhana Irrigation Project (simple irrigation/reclamation).

His Excellency
Edward E. Masters
The United States Ambassador
J A K A R T A.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my highest consideration. "

I have the honour to confirm that the proposed amendments as described in your Note are acceptable to my Government and to agree that Your Excellency's Note and this reply shall be regarded as constituting an agreement between our two Governments with effect from the date of this note.

Please, Excellency, accept the renewed assurance of my highest consideration.

 *[Signature]*
DOCHTAR KUSUMAATMAJJA
Minister for Foreign Affairs.

The American Ambassador to the Indonesian Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 923

Jakarta, December 6, 1978

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, December 16, 1977, February 23, 1978, and July 13, 1978, and to propose that Part II, Particular Provisions, be further amended as follows:

- A. Item I, Commodity Table: Under appropriate column headings make the following changes:
- (1) Under column headed "Supply Period (United States Calendar Year)" change: "1977 Plus First Nine Months of 1978" to "1977, 1978 and 1979" on each of the three lines titled Wheat/Wheat Flour, Rice and Bulgur.
 - (2) On line titled "Wheat/Wheat Flour" change: "280,000" to "530,000" and "\$31.1" to \$ "65.10".
 - (3) On line titled "Rice" change: "550,000" to "745,000" and "\$168.3" to "220.04".
 - (4) On line titled "Bulgur" change: "20,000" to "40,000" and "\$2.8" to "6.36".
 - (5) On line titled "Total" change: "\$202.2" to "\$291.5".

- B. Item III, Usual Marketing Table: Delete current table and substitute the following:

His Excellency

Dr. Mochtar Kusumaatmadja

Minister of Foreign Affairs

Jakarta

"Commodity	Import Period (United States Calendar Year)	Usual Marketing Requirement
Wheat/Wheat Flour (Wheat Basis)	1977	445,000 Metric Tons
	1978	445,000 Metric Tons as previously established
	1979	576,000 Metric Tons
Rice	1977	200,000 Metric Tons
	1978	200,000 Metric Tons as previously established
	1979	625,000 Metric Tons"

All other terms and conditions of the May 17, 1977, Agreement as amended remain the same.

Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL 480 commodities under the second amendment to the Title I, PL 480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the Fifth Amendment to the May 17, 1977, Title I, PL 480 Agreement and allocate such funds to the projects Tertiary and Quaternary Irrigation Canal Construction - \$26 Million, Agricultural Extension - \$15.3 Million and Sedang/Kecil Irrigation - \$48 Million.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my highest consideration.

Edward R. Roybal



Attachment

6. TERTIARY AND QUATERNARY IRRIGATION CANAL CONSTRUCTION - \$26 MILLION

The large investment in construction of primary and secondary irrigation canal systems is often unproductive until the tertiary canals are completed. Delays in construction of these canals have been sometimes encountered due to lack of adequate trained manpower and funds. The Indonesian Government has initiated a new program of tertiary and quaternary canal construction covering approximately 360,000 Ha over a three year period beginning in 1978/79. As the average farm size is about one-half hectare and the average per capita income level in rural areas is very low, completion of these irrigation systems will directly contribute to increased agricultural productivity and improved income of large numbers of people.

Under the projects proposed for attribution of local currency generated by the Fifth Amendment to the May 17, 1977, Title I, PL 480 Agreement, the following targets for completion in 1979/80 have been set: survey, mapping and design for canals covering 175,046 Ha and actual construction of canals covering 110,730 Ha.

7. AGRICULTURAL EXTENSION - \$15.3 MILLION

The purpose of this project is to create an integrated agricultural extension program to help improve farmer productivity and income through a network of agricultural information centers, agricultural extension centers, demonstration farms and plots. This network will seek to provide information and training which will support Indonesia's effort to diversify and increase food crop production through printed material, films, radio broadcasts, training, demonstration trials, agricultural competition and fairs.

For the projects proposed for attribution, the following 1979/80 targets have been set:

- operation of ten information centers
- construction and operation of 100 rural extension centers (out of an eventual 1,000 units)
- establishment of 11,000 demonstration farms (one per extension worker/PPL)
- establishment of two to four demonstration plots using key farmers/kontak tani per demonstration farm (of eventual 16 demonstration plots per demonstration farm)

8. SEDANG/KECIL IRRIGATION - \$48 MILLION

The purpose of the Sedang/Kecil irrigation program is to construct and rehabilitate small and medium size irrigation systems, mostly off Java. These irrigation systems are generally from 500 to 1,000 hectares in size and are aimed at providing small farmers with an average farm size of one-half hectare with irrigation services. Farmers benefiting from the program would be able to switch to high yield varieties of seed which require water control and thereby increase their incomes by growing two crops of rice per year.

Under the projects proposed for attribution, the following targets have been set for 1979/80: survey and design work for canals covering 49,324 Ha and the construction of canals and dams covering 27,267 Ha.

The Indonesian Minister for Foreign Affairs to the American Ambassador



MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, December 6, 1978.

No. : D. 1389 /78/01.

Your Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of December 6, 1978 which reads as follows :

" I have the honour to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977 , December 16, 1977 , February 23, 1978, and July 13, 1978, and to propose that Part II, Particular Provisions, be further amended as follows :

A. Item I, Commodity Table : Under appropriate column headings make the following changes :

- (1) Under column headed "Supply Period (United States Calender Year)" change : " 1977 Plus First Nine Months of 1978 " to " 1977, 1978 and 1979 " on each of the three lines titled Wheat/Wheat Flour, Rice and Bulgur.
- (2) On line titled "Wheat/Wheat Flour" change : "280,000" to "530,000" and "\$. 31.1" to "\$. 65.10".
- (3) On line titled "Rice" change : "550,000" to "745,000" and "\$. 168.3" to "\$. 220.04".
- (4) On line titled "Bulgur" change : "20,000" to "40,000" and "\$. 2.8" to "\$. 6.36"
- (5) On line titled "Total" change : "\$. 202.2" to "\$. 291.5".

B. Item III, Usual Marketing Table : Delete current table and substitute the following :

His Excellency
Edward E. Masters
The United States Ambassador

J A K A R T A .

"Commodity	Import Period (United States Calendar Year)	Usual Marketing Requirement
Wheat/Wheat Flour (Wheat Basis)	1977	445,000 Metric Tons
	1978	445,000 Metric Tons as previously estab- lished
	1979	576,000 Metric Tons
Rice	1977	200,000 Metric Tons
	1978	200,000 Metric Tons as previously estab- lished
	1979	625,000 Metric Tons"

All other terms and conditions of the May 17, 1977, Agreement as amended remain the same.

Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL-480 commodities under the second amendment to the Title I, PL-480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the Fifth Amendment to the May 17, 1977, Title I, PL-480 Agreement and allocate such funds to the projects Tertiary and Quaternary Irrigation Canal Construction - \$. 26 Million, Agricultural Extension - \$. 13.3 Million and Sedang/Kecil Irrigation - \$. 48 Million.

If the foregoing is acceptable to your Government, I have the honor to propose that his Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my highest consideration".

I have the honour to confirm that the proposed amendments as described in Your Note are acceptable to my Government and to agree that Your Excellency's Note and this reply shall be regarded as constituting an agreement between our two Governments with effect from the date of this note.

Please, Excellency, accept the renewed assurance of my highest consideration.



[Handwritten signature]
KUSUMANATMA DJA
 Minister for Foreign Affairs.